

November 2006

By Hylton Heard and Matthew Pauls

Prime Performance Review

Fitch Ratings' 60 days or more delinquency index improved marginally in October to 0.53%, down from 0.55% in September. On a year-over-year basis delinquencies are virtually unchanged, up by less than 1.0% versus 2005. Prime annualized net losses (ANL) increased 10.0% to 0.83% in October as nearly 65% of transactions included in the index posted higher month-over-month ANL. This is the fourth consecutive month of weaker performance and the highest level since earlier in the year. Despite the negative trend seen in recent months, ANLs are still relatively healthy compared with 2005 levels, down 6.9% through October this year versus October 2005. Seasonally adjusted cumulative net losses in the prime sector were 0.63% in October, a 4.6% improvement over September's performance. The index is 18.6% stronger as compared with October 2005, and has been posting improved year-over-year results for 27 consecutive months.

Subprime Performance Review

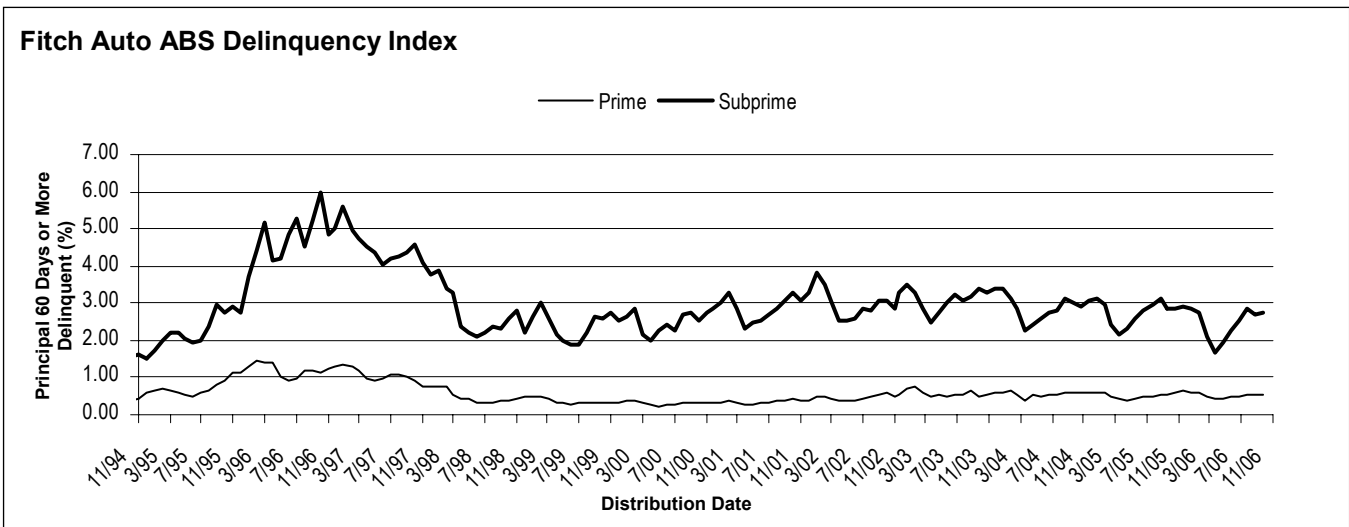
Delinquencies of 60 days or more performed slightly weaker in October increasing to 2.73% in October, from September's 2.71% figure. The index has posted stronger year-over-year results every month this year, with this month's performance 4.18% improved over October 2005. Fitch's Subprime ANL index posted a noticeable increase in October jumping 32.3% to 6.40% from 4.83% in September, with more than two-thirds of the transactions in the index posting higher losses and mirroring performance of the prime ANL index. The index was 7.35% weaker on a year-over-year basis against the same period in 2005, making this the first time since March 2004 that the index posted weaker year-over-year results. Additionally, historical trends suggest that the index will continue to wane through

Fitch Ratings Auto ABS Group

| | |
|--|--|
| John Bella, Jr. Managing Director +1 212 908-0243 john.bella@fitchratings.com | Jennifer San Cartier Senior Director +1 212 908-0205 jennifer.sancartier@fitchratings.com |
| Hylton Heard Director +1 212 908-0214 hylton.heard@fitchratings.com | Ruchira Dabas Director +1 212 908-0244 ruchira.dabas@fitchratings.com |
| Nicole Edwards Associate Director +1 212 908-0114 nicole.edwards@fitchratings.com | David Petu Associate Director +1 212 908-0820 david.petu@fitchratings.com |
| Benjamin Tano Analyst +1 212 908-0871 benjamin.tano@fitchratings.com | Matthew Pauls Analyst +1 212 908-0849 matthew.pauls@fitchratings.com |

Fitch Rating Actions for October 2006 — New Ratings

| Class | Class Size (\$000) | Rating |
|--|--------------------|--------|
| Capital One Prime Auto Receivables Trust (COPAR) 2006-2 | | |
| 5.33% Class A-1 Asset-Backed Notes | 265,000 | F1+ |
| 5.17% Class A-2 Asset-Backed Notes | 349,000 | AAA |
| 4.98% Class A-3 Asset-Backed Notes | 308,000 | AAA |
| 4.94% Class A-4 Asset-Backed Notes | 293,101 | AAA |
| 5.05% Class B Asset-Backed Notes | 34,899 | A |
| HSBC Automotive Trust (USA) 2006-3 | | |
| 5.362% Class A-1 Asset-Backed Notes | 208,700 | F1+ |
| 5.38% Class A-2 Asset-Backed Notes | 196,300 | AAA |
| 5.28% Class A-3 Asset-Backed Notes | 283,600 | AAA |
| 5.34% Class A-4 Asset-Backed Notes | 150,149 | AAA |



November 2006

the last months of 2006. Economic pressures along with softness in certain areas of the wholesale vehicle market should continue to affect subprime auto asset-backed securities (ABS) performance, and to a lesser extent the prime sector, through year end.

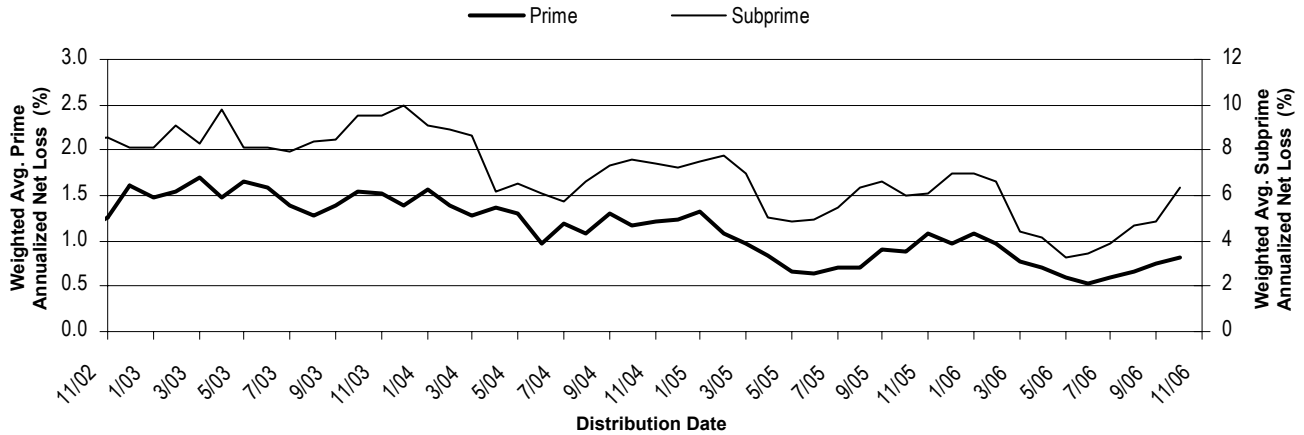
The U.S. Consumer

The U.S. economy created only 92,000 jobs in October but the month began with a large upward revision of September's job growth figure from 51,000 to 148,000. The softer job market in the second quarter has somewhat continued through the third quarter, even as jobless claims continue to be relatively low and mass layoffs declined after trending upwards recently. However, the weaker housing market and job cuts in the manufacturing sector continue to contribute to mass layoffs. Overall, the unemployment rate decreased to 4.4% in October from 4.6% in September, its lowest level for some time and overall, the economy is still exhibiting signs of growth and remains fairly healthy.

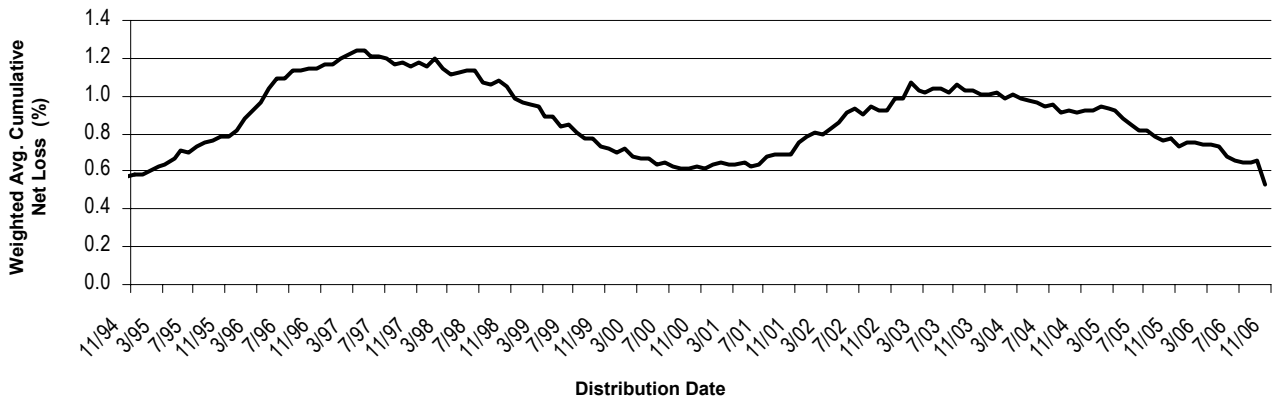
Fitch Rating Actions for October 2006 — New Ratings (continued)

| Class | Class Size (\$000) | Rating |
|--|--------------------|--------|
| Pinnacle Capital Asset Trust 2006-A | | |
| 5.4145% Class A-1 Asset-Backed Notes | 550,000 | F1+ |
| 5.37% Class A-2 Asset-Backed Notes | 295,100 | AAA |
| 5.29% Class A-3 Asset-Backed Notes | 124,900 | AAA |
| 5.51% Class B Asset-Backed Notes | 108,300 | AA |
| 5.77% Class C Asset-Backed Notes | 122,700 | A |
| 6.35% Class D Asset-Backed Notes | 79,400 | BBB |
| Wachovia Auto Loan Owner Trust 2006-2 | | |
| 5.35803% Class A-1 Asset-Backed Notes | 219,000 | F1+ |
| 5.35% Class A-2 Asset-Backed Notes | 378,000 | AAA |
| 5.23% Class A-3 Asset-Backed Notes | 306,000 | AAA |
| 5.23% Class A-4 Asset-Backed Notes | 135,000 | AAA |
| 5.29% Class B Asset-Backed Notes | 45,000 | AA |
| 5.34% Class C Asset-Backed Notes | 48,000 | A |
| 5.54% Class D Asset-Backed Notes | 39,000 | BBB+ |
| 7.05% Class E Asset-Backed Notes | 30,000 | BB |

Fitch Auto ABS Annualized Net Loss Index



Fitch Prime Auto ABS Cumulative Net Loss Index



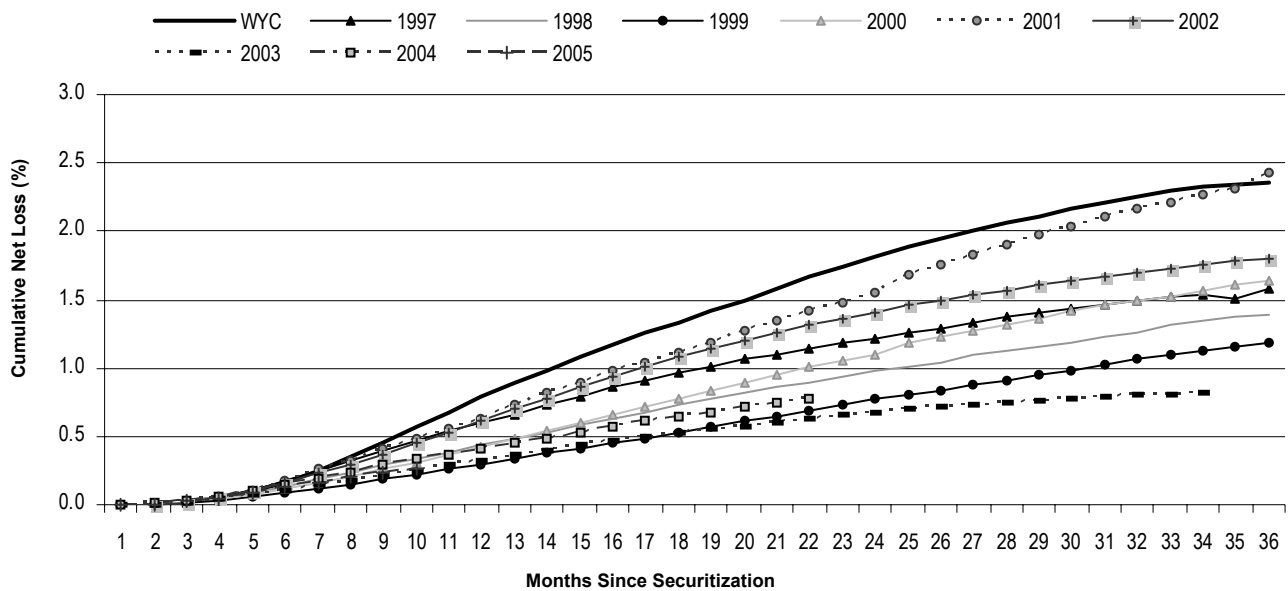
The reduction in energy costs in October eased monthly household expenses, while bankruptcy filings remain low. In October, the housing market exhibited more weakness, interest rates were unchanged, and debt levels remained elevated. All these factors will pressure consumers, especially subprime consumers, and may lead to high loss frequency in coming months. The Conference Board's Consumer Confidence Index declined slightly in October to 105.4 from 105.9 in September. The present component declined while the expectations components increased. The plans to buy autos part of the index increased in October,

which may spell better auto sales in the closing months of the year. Stock markets hit record highs in late October and early November, another positive sign for the economy as corporate profits remain solid and companies expand.

Wholesale Vehicles Prices

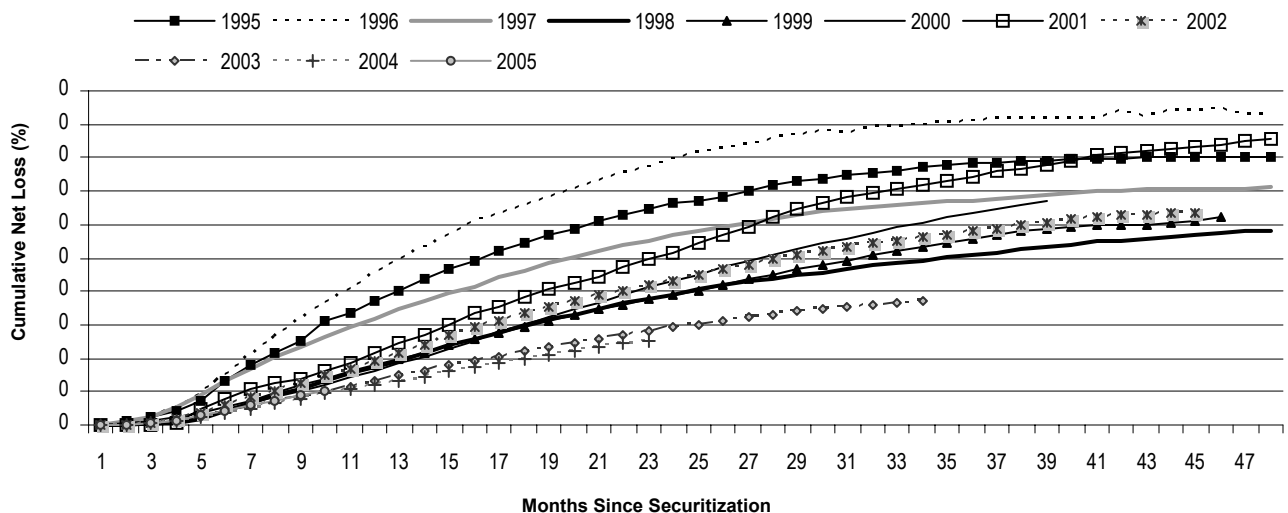
The effects from the 2007 model year changeover were less prevalent in the month of October as wholesale values improved marginally. The Manheim

Cumulative Net Losses by Year of Issuance — Prime Auto ABS

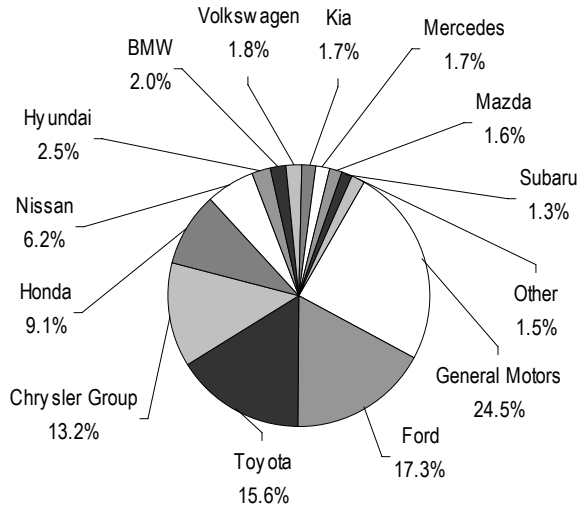


WIYC – Worst industry years loss curve (1994–1996).

Cumulative Net Losses by Year of Issuance — Subprime Auto ABS



2006 Auto Sales — Manufacturer Market Share
(Through Oct. 31, 2006)



Source: Ward's AutoInfoBank.

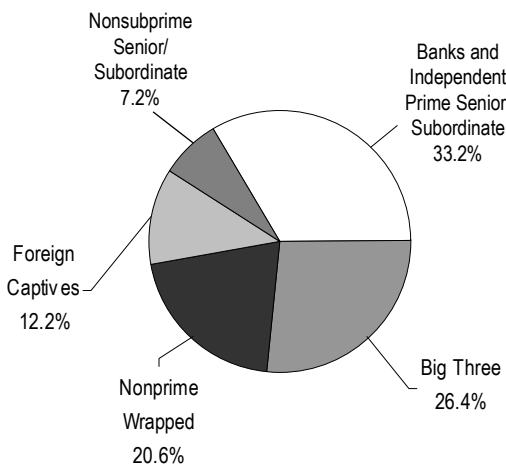
Index showed a slight improvement, increasing to 112.0 in October from September's value of 111.9, but posted a weaker year-over-year result for the first time in two years. Additionally, if seasoning is removed from the index it posted a slight decline during October versus September. Manufacturers continue to close plants and reduce production levels, which are down 5.33% through the first 10 months of 2006. However, inventories still remain relatively high, with an average of 70 days supply remaining on lots during October. On a positive

note this is a reduction from the 77 days supply one year ago. Incentive levels, as reported by Edmunds.com, decreased to \$2,257 per vehicle sold in October, down 16% from September but up 12% from the level one year ago. Production has been reduced while inventories have come down slightly in recent months; however, incentives will remain present and therefore expect pressure on wholesale values to remain in the last two months of the year, especially the SUV/Truck segments.

Auto Sales

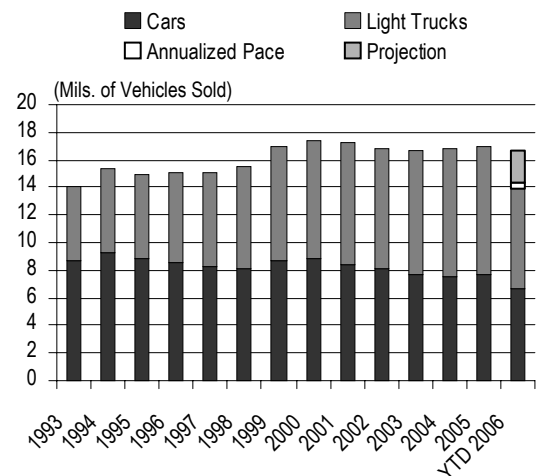
Auto sales in October decreased to 16.1 million units seasonally adjusted, down from 16.6 million units sold in September. Annualized sales through October averaged 16.6 million units per month with the high recorded in July (17.2 million). Actual units sold through October totaled 13.9 million units, off 3% from 2005 levels. Among vehicle segments car sales are 1.4% improved over October 2005 figures, but light truck sales are down 6.6%. Although truck/SUV sales are down on a yearly basis, recent declines in fuel costs have increased the segment's market share to 54.5%, the highest level seen in recent months. Of the major manufacturers only Honda was able to increase month-over-month sales, boosting units sold by 100,000 to 1.5 million for the year. Domestic manufactures were able to increase their market share in October to 55% as compared with 53.7% through October 2005, despite weaker year-over-year sales. As compared with the first 10 months of 2005, GM sales have decreased 9.4%, Chrysler's sales are down 8.6%, and Ford's sales are off 7.7%. Although Asian manufacturers as a whole have

Auto ABS Issuance by Dollar Volume*
(Through Oct. 31, 2006)



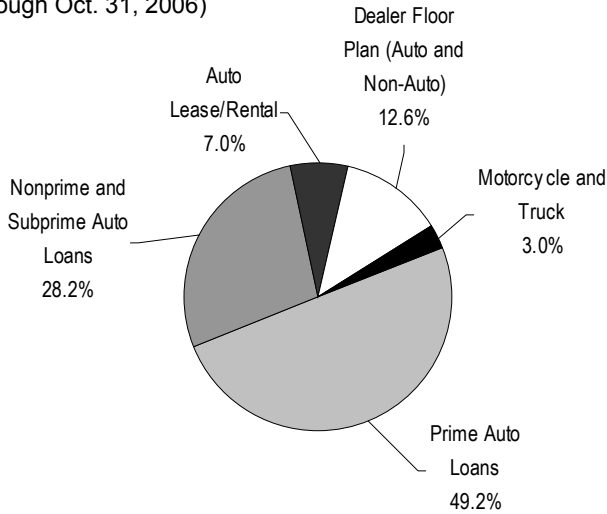
*Includes all public and 144a retail loan transactions.

U.S. New Vehicle Sales
(Through Oct. 31)



YTD — Year to date.

Auto ABS Issuance by Asset Type
(Through Oct. 31, 2006)



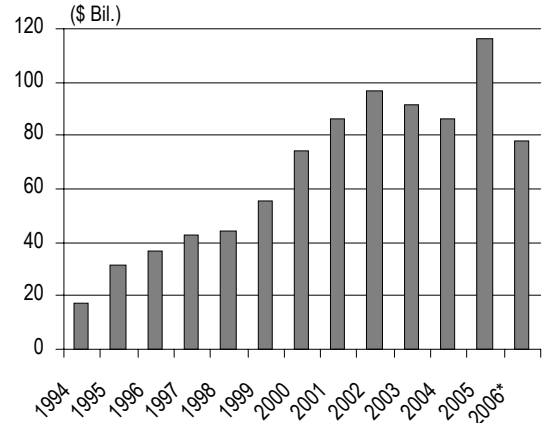
Note: Numbers may not add to 100% due to rounding.

increased year-over-year sales by 4.9%, their market share declined to 39.2% from 40.2%. Toyota and Honda sales are 12.2% and 3.9% stronger this year, respectively, but sales have declined for Isuzu (22.8%), Nissan (6.3%), and Mitsubishi (5.7%). European sales have increased 6.9% in 2006 over 2005 year to date, most notably Mercedes with increased sales of 12.8% while Volkswagen grew sales by 8.4%.

Securitization

Auto ABS (auto loan, lease/rental, dealer floorplan, truck, and motorcycle loans) issuance through October totaled \$78.0 billion,

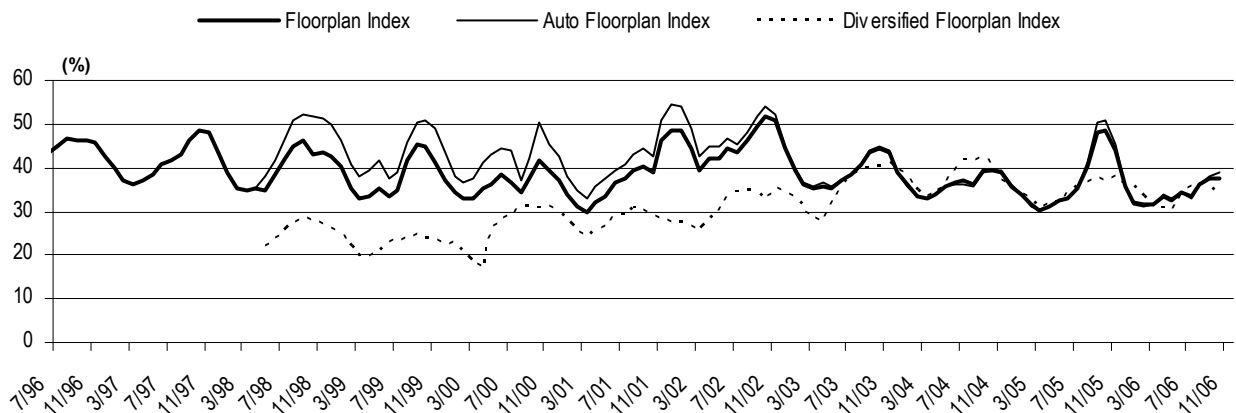
Auto ABS Securitization Volume*



*Through Oct. 31; includes all U.S. prime and subprime auto loan, auto lease, and dealer floorplan transactions.

down 20.2% from 2005 year-to-date levels. In the prime auto loan sector serial issuers Capital One and Honda released deals totaling \$1.25 billion and \$1.5 billion respectively. Additionally, GMAC LLC sponsored the Pinnacle Capital Asset Trust Series 2006-A totaling \$1.28 billion backed by pools of prime and nonprime retail auto loans and leases originated or acquired from dealers by Nuvel Credit Company LLC, Saab Financial Services LLC, and American Suzuki Financial Services Company LLC, each entity being a subsidiary of Basic Credit Holding Company, LLC, which is a wholly owned

Comparative Floorplan Index — Monthly Payment Rate



November 2006

direct subsidiary of GMAC. The subprime sector was very active in October, accounting for five of the nine deals issued during the month. Triad Financial issued a \$1.09 billion deal with an Ambac Assurance Corp. guaranty, while Drive Financial services issued an \$850 million deal wrapped by MBIA Insurance Corp. Wachovia issued its second subprime auto deal in 2006 comprised of WFS Financial assets totaling \$1.2 billion, and HSBC issued its third subprime deal totaling \$838.7 million. Franklin Capital issued its first deal of the year for \$355 million. In the floorplan sector BMW Financial Services issued a dealer floor plan transaction sized at

\$723 million. Through October prime auto loan transactions accounted for 49.2% of total dollar issuance; subprime transactions 28.2%; and dealer floor plan transactions accounted for 12.6%. Indications for November have shown an active auto ABS market with issuers looking to issue transactions prior to the Thanksgiving holiday.

Copyright © 2006 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries. One State Street Plaza, NY, NY 10004.

Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. All of the information contained herein is based on information obtained from issuers, other obligors, underwriters, and other sources which Fitch believes to be reliable. Fitch does not audit or verify the truth or accuracy of any such information. As a result, the information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed, suspended, or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of Great Britain, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.